

March 5, 2002

To: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Yvonne Brathwaite Burke
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

STATE LEGISLATIVE UPDATE

Budget Hearings to Get Underway

Assembly and Senate Budget Subcommittees hearings will move into full swing the week of March 11, 2002 (hearing schedule attached). Agendas, dates and times are subject to frequent change, depending on other legislative business and the pace of each subcommittee. Our Sacramento representatives have identified the following hearing dates for issues, which are of particular interest to the County.

March 11, 2002	Senate Budget Subcommittee No. 3 on Health and Human Services will hear issues relating to the Healthy Families Program, including expansion of coverage for parents.
March 13, 2002	Assembly Budget Subcommittee No. 1 on Health and Human Services will hear social services data issues, including LEADER.
March 14, 2002	Senate Budget Subcommittee No. 3 on Health and Human Services will hear social services data issues, including LEADER.
March 20, 2002	Assembly Budget Subcommittee No. 1 on Health and Human Services will hear various adult services programs, including IHSS. SEIU's Initiative, The Homecare Protection Act of 2002, may be part of the agenda as an informational item only.

	Assembly Budget Subcommittee No. 4 on State Administration will hear Board of Corrections issues, including funding for Project CLEAR.
March 21, 2002,	Senate Budget Subcommittee No. 3 on Health and Human Services will also hear various adult services programs including IHSS. It is unclear if the subcommittee will hear SEIU's proposed initiative as an informational item.
April 3, 2002	Assembly Budget Subcommittee No. 1 on Health and Human Services will hear CalWORKs issues, including the Single Allocation.
	Senate Budget Subcommittee No. 4 on Legislative, Executive, Public Safety, and General Government will hear Board of Corrections issues, including funding for Project CLEAR.
April 25, 2002	Senate Budget Subcommittee No. 3 on Health and Human Services will hear CalWORKs issues, including the Single Allocation.
May 8, 2002	Assembly Budget Subcommittee No. 1 on Health and Human Services will hear the CalWORKs childcare related issues.

We will highlight other important dates and issues, such as the increase in DSH Administrative Fee and funding for trauma centers, as subcommittee agendas become finalized.

Status of County-Sponsored Issues

The issues adopted by the Board of Supervisors for the second year of the 2001-02 State legislative session are beginning their journey through the legislative process. The following indicates the status of 2002 County-sponsored issues.

Social Worker Access to Dependent Children's Medical and Counseling Records. Assemblymember Robert Pacheco has introduced **AB 1832** which provides that any information that a dependent child communicates during an assessment, evaluation, or treatment shall be excepted from psychotherapist-client, physician-patient and clergyman-penitent privileges for the limited purpose of providing information to the juvenile court, the county child welfare worker, and the child's attorney to assist the juvenile court in

determining a child's case plan. The bill has been assigned to the Assembly Judiciary Committee.

Racially Restrictive Covenants. Assemblymember Jerome Horton has introduced **AB 1926** which authorizes any person holding an ownership interest of record in property containing a racially restrictive covenant to cause the recording of a modified document with the covenant stricken without approval from the Department of Fair Employment and Housing, and requires the recorder to refuse to record any document identified by the recorder as containing a racially restrictive covenant. The bill has been assigned to the Assembly Committees on Judiciary and Housing and Community Development.

Interest Computations on Property Tax Refunds. Assemblymember Carol Liu has introduced **AB 2036** which requires that the interest payments on property tax refunds be calculated by treating each property tax installment payment as a separate payment upon which interest accrues. The bill has been assigned to the Assembly Revenue and Taxation Committee.

Point of Sale Scanners. Assemblymember Carl Washington has introduced **AB 2732** which would establish a system to identify, inspect and register automated point of sale stations, commonly known as "scanners", and to monitor the utilization of such devices, and authorize cost recovery for such testing. The bill is awaiting policy committee assignment by Assembly Rules Committee.

Simplification of Notice Statutes for Dependency Hearings. Senator Richard Polanco has introduced **SB 1956** which revises and recasts existing law related to the notification of various parties regarding juvenile court proceedings to determine, review, revise or terminate the status of a child as a dependent child of the court. The bill is awaiting policy committee assignment by Senate Rules Committee.

Child Product Safety. We have been unable to secure an author to carry legislation regarding the sale and use of products recalled or banned by the U.S. Consumer Product Safety Commission. A number of technical issues arose in our pursuit of a bill, and consequently, we will work with the Department of Consumer Affairs to refine our proposal for introduction in 2003, if no opportunity to amend our proposal into a bill arises in 2002.

Boater Education and Certification. We have been unable to secure an author to carry legislation to create a mandatory, uniform boater education and certification system. The main impediment has been the Governor's veto of similar legislation in 1999 (AB 1287, Davis). We will examine other legislative vehicles this year, and pursue introduction of legislation in 2003.

Funding for Dependent Children's Placement in For-Profit Group Homes. We have been unable to secure a bill that would allow State reimbursement for placing hard to place minors in for-profit group homes when a not-for-profit facility is unavailable. In our efforts we learned that the Chair of the Assembly Human Services Committee, which would hear such a proposal, is strongly opposed in principle. The Department of Children and Family Services is refining the proposal and is making efforts to facilitate the licensing of additional not-for-profit facilities as an alternative approach.

Pursuit of County Position on Legislation

ERAF. Two bills that would essentially phase-in a cap on ERAF growth, returning those revenues to local governments, have been introduced in the Assembly. **AB 1865 (Canciamilla)** would, starting in FY 2004-2005, cap the ERAF allocation at the prior year's level and reduce the growth allocated to ERAF by 20 percent for five years but only in "qualifying years" in which the Director of Finance certifies by November 1 that the General Fund reserve is at least 3 percent of revenues and General Fund revenues are meeting or exceeding the May Revision forecast. **AB 2100 (Simitian)** would do the same except in 10 percent increments starting in FY 2005-2006. **Consistent with existing Board policy to support legislative efforts to cap ERAF growth as an interim measure while seeking an actual return of the property tax, the County will be supporting AB 1865 and AB 2100.** Both bills have been referred to the Committee on Local Government.

Governor's Budget Proposal to Eliminate CHDP. As previously reported, the Governor's proposed FY 2002-03 Budget recommends the elimination of the Child Health and Disability Prevention (CHDP) program. CHDP is a public health program for low-income and undocumented children that provides access to preventive health care, monitors the quality of care provided and coordinates indicated follow-up care. The Administration maintains that most children in the CHDP program are eligible for Medi-Cal or the Healthy Families Program. According to State estimates, 390,000 children are currently eligible for the program in Los Angeles County.

The Department of Health Services (DHS) indicates that it is unclear how many children would be affected by the elimination of this program, how eligible children would transition into either Healthy Families or Medi-Cal, and how services would be provided to children not eligible for either insurance program. Further, DHS is concerned that elimination of this program jeopardizes \$33 million in State funding for Los Angeles County public and private providers and another \$1.5 million for County administration of the program. The State Department of Health Services has formed CHDP Stakeholder Workgroups in which the County is participating. The next meeting of the Stakeholder Workgroups will be March 1, 2002.

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Consistent with County policy to seek a dependable, long-term source of funding for the health care safety net, DHS recommends that the County oppose the elimination of the CHDP program, and we concur. The County will work within the State's Stakeholder process to address transition issues and to minimize the number of children ineligible for other health care coverage if the CHDP program is eliminated.

We will continue to keep you advised.

DEJ:GK
IGR:md

c: Executive Officer, Board of Supervisors
 County Counsel
 All Department Heads
 Legislative Strategist
 Local 660
 Coalition of County Unions
 California Contract Cities Association
 Independent Cities Association
 League of California Cities
 City Managers Associations
 Buddy Program Participants